



# Great West Steel Industries Ltd.

GREAT WEST STEEL INDUSTRIES LTD. is a Canadian owned group of inter-related manufacturing and engineering companies, providing goods and services primarily to the natural resources and construction industries.

The Company and its affiliates engineer and manufacture bucket-wheel excavators, stackers and reclaimers and other minerals handling equipment. Its Resource Engineering Division is an acknowledged expert in coal preparation plant design. This division also manufactures and markets exothermic insulations for foundries and steel mills and chemical consumables used in new coal processing technology and steel production.

The Manufacturing Division's main product is open web steel joists manufactured from components produced on its own forming mills. This product is a substitute for concrete and structural steel in roof and floor systems.

The Company's engineering affiliate is one of western Canada's largest and most comprehensive consulting and engineering organizations, specializing in municipal and industrial engineering and development.

The Company and its affiliates' plant facilities and engineering expertise are strategically located to participate in energy related projects, particularly tarsands development and coal mining.

## Main Products and Services

*Process Designers, Engineers and Manufacturers*

### ENGINEERING DIVISION

Bulk Materials Sampling Equipment  
Coal Engineering and Testing  
Coal Preparation Plants  
Industrial Engineering  
Materials Handling Systems  
Municipal Services  
Oilfield and Waterflood Engineering  
Refining and Chemicals Engineering  
Refuse Treatment Plants  
Road and Bridge Engineering  
Structural, Electrical and Mechanical Engineering  
Town Planning  
Waste Treatment and Pollution Control  
Water Resource Development

### MANUFACTURING DIVISION

Bucketwheel Excavators, Stackers, Reclaimers  
Coal Plant, Foundry and Steel Mill Consumables  
Crane Service and Pile Driving  
Dycore Extruded Prestressed Wall and Floor Slabs  
Exothermic Insulators  
Heat Exchangers  
Materials Handling Systems  
Mining and Minerals Processing Equipment  
Plant Maintenance Service  
Steel Joists  
Steel Plate Work  
Structural Steel  
Vibratory Equipment and Conveyors

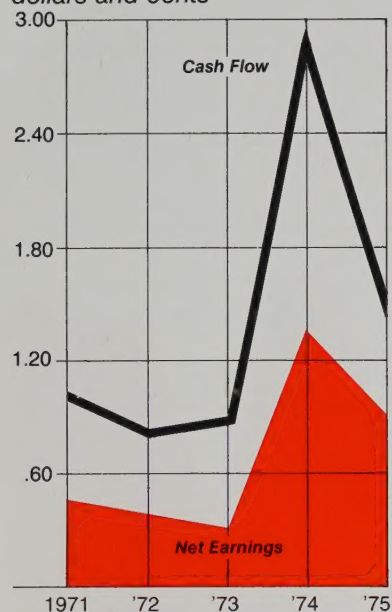
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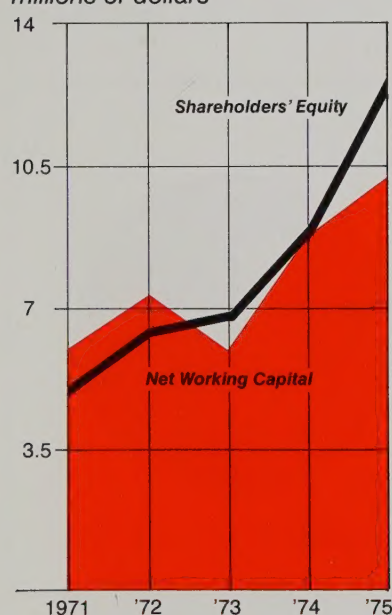
# Highlights of Operation

## NET EARNINGS/ CASH FLOW PER SHARE before extraordinary items dollars and cents



## NET WORKING CAPITAL SHAREHOLDERS' EQUITY

millions of dollars



in thousands of dollars except as indicated

Net Working Capital†

Net Fixed Assets

Other Assets

Total Net Assets

Represented by:

Funded Debt

Deferred Income Taxes

Shareholders' Equity

Capital Expenditures on Fixed Assets

Total Payroll and Benefits\*

Number of Employees at Year End\*

Sales

Earnings from Operations before Depreciation,

Amortization, Interest and Income Taxes

Net Earnings:

Before Extraordinary Item

After Extraordinary Item

Net Earnings as % of Sales:

Before Extraordinary Item

After Extraordinary Item

Net Earnings per Share:\*\*

Before Extraordinary Item

After Extraordinary Item

Cash Flow per Share:\*\*†

Before Extraordinary Item

After Extraordinary Item

†Including current portion of Deferred Income Taxes

\*Including 1191 Joint Venture Employees Paid \$18,726

\*\*Based on average Common Shares outstanding during 1975 or 1,802,495

1975

\$10,167

12,997

4,760

27,924

10,643

4,532

12,749

27,924

2,432

36,300

2,398

78,562

6,752

1,645

2,338

2.1%

3.0%

\$ .91

\$ 1.30

\$ 1.54

\$ 1.59

1974

\$ 8,861

11,020

1,624

21,505

8,551

3,992

8,962

21,505

1,041

19,400

1,463

64,285

7,758

2,308

2,105

3.6%

3.3%

\$ 1.36

\$ 1.24

\$ 2.91

\$ 2.80



# Results in Graphs

TOTAL SALES VOLUME

millions of dollars



SALES VOLUME JOISTS

millions of dollars



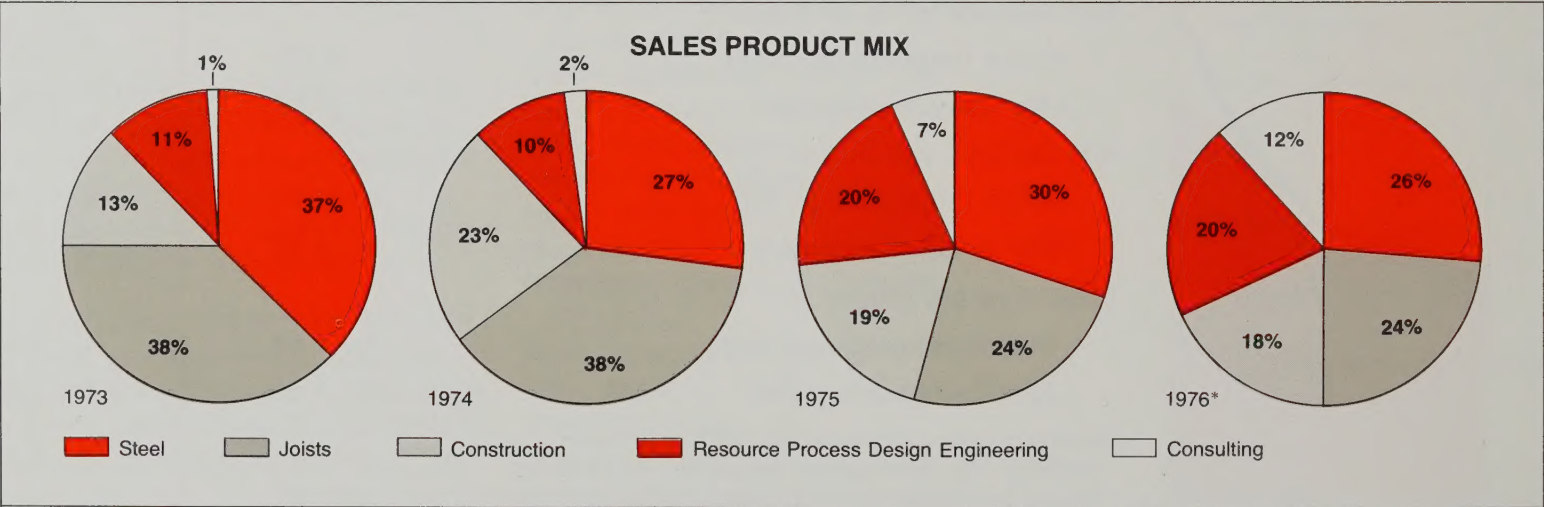
SALES VOLUME STEEL

millions of dollars



SALES VOLUME CONSTRUCTION

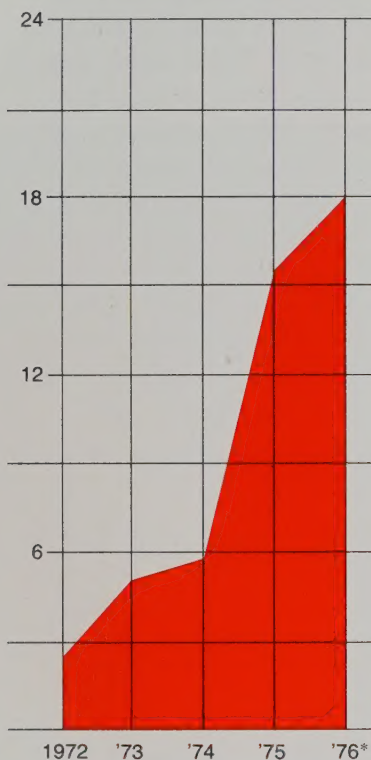
millions of dollars



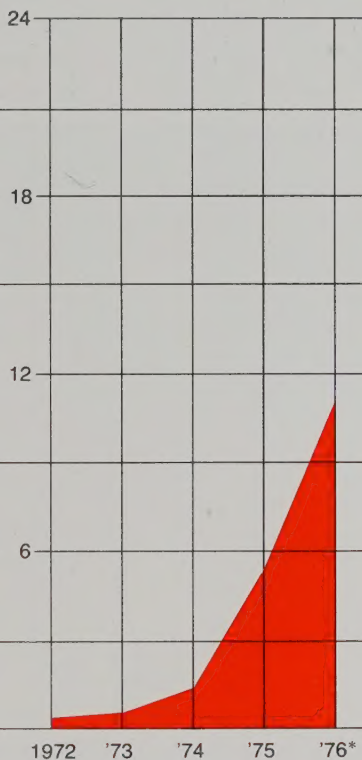
\*Forecasted



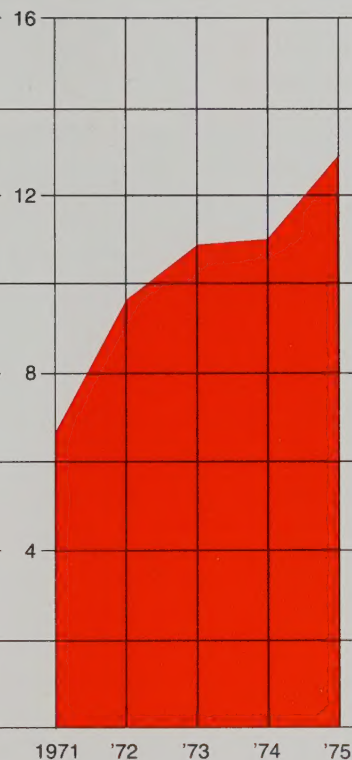
**SALES VOLUME  
RESOURCE ENGINEERING**  
*millions of dollars*



**SALES VOLUME  
CONSULTING**  
*millions of dollars*

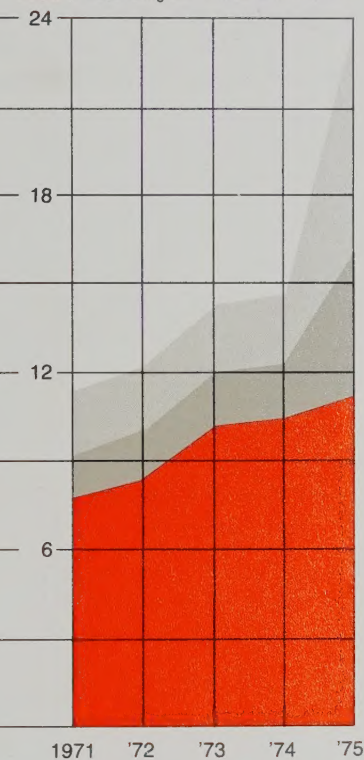


**NET FIXED ASSETS**  
*millions of dollars*

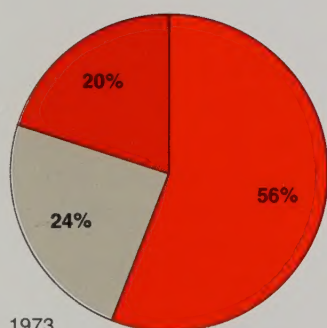


**NUMBER OF EMPLOYEES  
in hundreds**

- Scientists, Engineers and Technicians
- Administrators and Clerks
- Manufacturing and Construction Workers

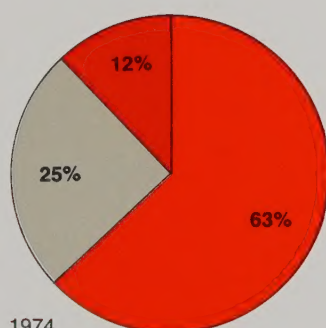


### MARKET



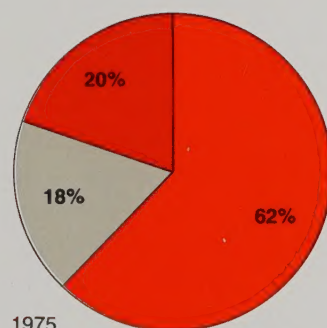
1973

Western Canada Sales



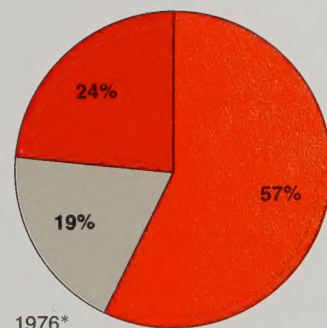
1974

Eastern Canada Sales



1975

Sales Abroad



1976\*



# Report to Shareholders and Employees

During 1975 the Company achieved record sales and net earnings and its second highest earnings from operations despite very unsettled business conditions.

Net earnings for 1975 were \$2,338,000 which represents a 3% return on record sales of \$78,562,000 and a 22% return on average shareholder equity.

Net earnings from operations were 91¢ per share as compared with \$1.36 per share in 1974. After extraordinary items are taken into account, however, these figures are \$1.30 and \$1.24 respectively.

Additions to fixed assets more than doubled from 1974, much of the increase being attributable to the major expansion at the GWS Krupp Industries plant in Edmonton, Alberta.

Net working capital increased from \$8,861,000 at the end of 1974 to \$10,167,000. Shareholders equity now amounts to \$12,748,000, an increase of \$3,787,000. This increase was derived from a combination of net earnings and an issue of common shares amounting to \$1,500,000.

## THE YEAR IN REVIEW

Atlas Construction and Crane Services, which provides installation and crane services to industrial and commercial construction projects in Western Canada, had another good year and achieved new highs in revenues and earnings.

The joist and structural steel operations at Calgary, New Westminster, Saskatoon and Seattle continue to benefit from developments within the continental northwest. Including as it does the State of Alaska, this vast region offers, in our opinion, above average opportunities for growth.

The Birtley Engineering operations in North America are starting to realize their potential. This organization has developed computerized prediction techniques for the optimized recovery of coal during processing. In association with existing economics programs for coal which are owned jointly with RTZ Technical Services, Birtley can now offer to the coal industry a unique financially based feasibility package.

The Bimac Division is making satisfying progress in both the United Kingdom and Canada. The Division took a major step forward in 1975 when its hot top powders and insulating boards passed the rigid tests imposed on them by major Canadian customers. Late in 1975 products from this Division were accepted by two of Canada's largest steel companies. Substantial orders were received which prompted our recent decision to establish a manufacturing facility in Burlington, Ontario. It is anticipated that further market penetration for these consumable chemical products will be achieved in 1976 with steel mills and foundries in Canada, the United States and the United Kingdom.

The Taskmaster Division made further progress in the development of computer aided design programs. Several joint venture opportunities are currently under consideration for the exploitation of Taskmaster systems. Computer aided design systems are attracting international attention due to their possible value as an aid to design and engineering phases of construction projects. Linkage of this division to the steel joist system provides Grest West with a significantly increased capability in a large sector of its activities. This system is gradually being utilized by more of our plants and engineering offices.

During the past year your company acquired a 50% interest in the following three companies:

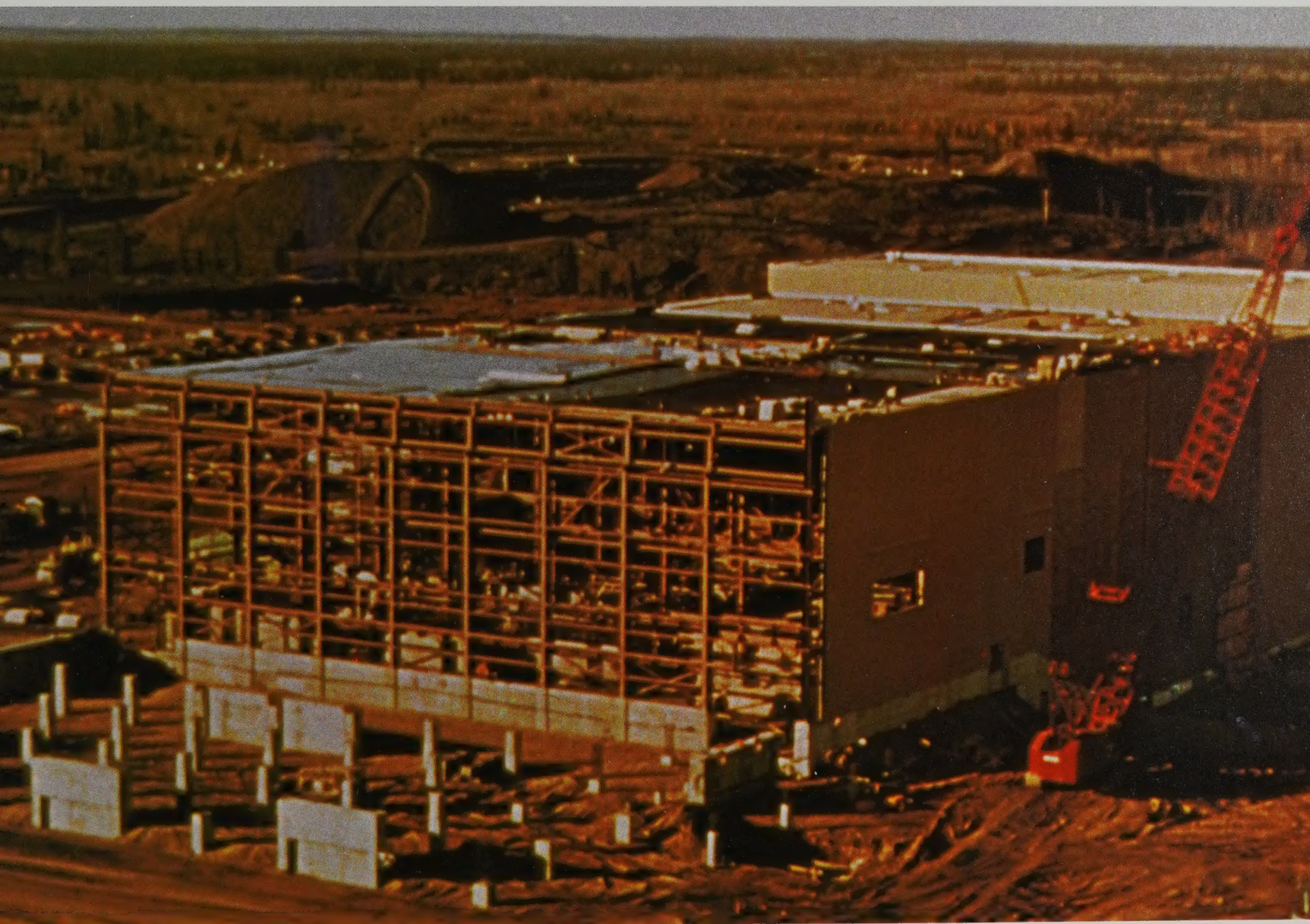
## GWS KRUPP INDUSTRIES LTD.

In June 1975 the Foreign Investment Review Agency formally approved the formation of a jointly owned company, GWS Krupp Industries Ltd., by Great West Steel Industries Ltd. and Fried. Krupp GmbH, Krupp Industrie- und Stahlbau of Rheinhausen, Federal Republic of Germany. GWS Krupp Industries Ltd. continues the existing business of the Edmonton steel operations and will add new complementary products, including bucketwheel excavators, bucketwheel reclaimers, stackers and conveyors. These products are used extensively in the extraction of natural resources such as coal, minerals and oil sands.



Associated Engineering Services Ltd. were awarded major contracts to undertake conceptual and detailed engineering design on the Syncrude Canada Ltd. project in the Athabaska oil sands. As subcontractor to Canadian Bechtel Limited, their involvement included work on the

125,000 b.p.d. hot water bitumen extraction process and the oil sand transportation system from the mine storage area to the extraction plant. Included in this was civil and structural design of over 10,000 tons of steel and 45,000 cubic yards of concrete.





## **GWS AND SHELL LIMITED**

Effective from July 1, 1975, GWS and Shell Limited, a company jointly owned by Great West Steel Industries Ltd. and Shell Petroleum Company Limited of London, England, acquired all of the issued and outstanding shares of Birtley Engineering Limited, a United Kingdom company with offices in Chesterfield, England and Glasgow, Scotland. GWS and Shell Limited was established for the purpose of assessing, designing and developing coal based energy projects for the substantial coal properties owned by Shell as well as properties owned by others.

## **ASSOCIATED ENGINEERING SERVICES LIMITED**

Effective July 1, 1975 Great West acquired a 50% interest in Associated Engineering Services Limited, one of western Canada's largest and most comprehensive consulting and engineering organizations. AESL is active in the fields of municipal and industrial engineering throughout Alberta, British Columbia, Saskatchewan, the Northwest Territories, the Yukon and overseas.

## **THE YEAR AHEAD**

The relatively slow recovery of the Canadian economy suggests that the market for our products and services will continue to be highly competitive. High interest rates, deficit financing by governments at all levels, re-

straints imposed by the Anti-Inflation Act and the normal hazards of doing business in uncertain times all combine to suggest that our posture in 1976 should be directed towards the consolidation and integration of our various activities. No major acquisitions are planned for 1976, nor is it contemplated that we will commit significant additional resources to the development of new markets or products.

Results to date in 1976 indicate that we will achieve an increase in sales over 1975. However, unless there is considerable turnaround in key areas of our business, we do not expect to show a significant improvement in net earnings.

At December 31, 1975 we had an order backlog of \$65,000,000. A further build-up of the backlog position is anticipated as the year progresses. We conclude that business in North America will hold relatively level, while engineering and construction contracts for overseas projects will accelerate.

A joint venture between Great West Steel Industries Ltd. and Rashid Construction and General Transportation Company has recently been awarded an \$11 million contract to construct a hotel in the United Arab Emirates.

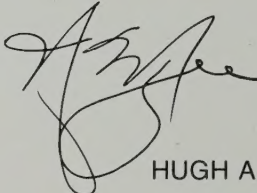
The high rate of construction activity in that area of the world should provide us with additional opportunities — to the benefit of our North American plants.

## **EMPLOYEE RELATIONS**

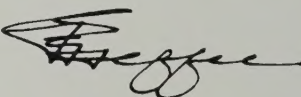
We are pleased to report that all of our manufacturing operations experienced satisfactory labour relations last year and we anticipate that they will continue.

The performance of Great West is dependant on the capabilities of its personnel. During the year our international family of employees continued to devote their energies and experience to the progress of the company. We thank them for their loyalty and interest — and for a job well done.

*On behalf of the Board of Directors,*



HUGH A. MAGEE  
*Chairman*



KENNETH G. HEFFEL  
*President*

Vancouver, B.C.  
March 23, 1976

GWS Krupp Industries Ltd., Edmonton, Alberta manufactured and supplied the pipe supports and pipe ways for the Strathcona Refinery of Imperial Oil Limited.



# **Review of the Great West Group of Companies**

*Management's medium and long term objectives are directed to the expansion of highly technological engineering services while maintaining the program of development and improvement of proprietary products.*

*In line with these objectives, the company has within the past year entered into strategic associations with Fried. Krupp GmbH, Krupp Industrie- und Stahlbau of Rheinhausen, Federal Republic of Germany, with Shell Petroleum Company Limited of London, England and with Associated Engineering Services Ltd., of Edmonton, Alberta. The association with these three companies has greatly enhanced the ability of Great West to realize its long term growth objectives.*





# Energy Resource Engineering

*"Edmonton, Alberta, June 9, 1975"*

## **GWS – Krupp receives FIRA approval**

The formation of a jointly owned company, GWS Krupp Industries Ltd., by Great West Steel Industries Ltd. of Vancouver, Canada and Fried. Krupp GmbH, Krupp Industrie- und Stahlbau of Rheinhausen, Federal Republic of Germany, has received formal approval from the Federal Foreign Investment Review Agency in Ottawa with effect from January 1, 1975.

GWS Krupp Industries Ltd. will continue the existing business of the Edmonton steel operations of Great West Steel Industries Ltd., and will add new complementary products, primarily in the field of energy related resource industry, mining and materials handling equipment, such as bucketwheel excavators, bucket-wheel reclaimers, stackers and conveyors. This equipment is used extensively in the extraction of natural resources such as coal, minerals and oil sands.

In addition to providing employment for all present employees of the Edmonton plant, the proposed new product development will generate a significant number of additional jobs as well as requiring a \$1,500,000 expansion of the Edmonton facilities during 1975.

Krupp are world renowned for their expertise in all aspects of the international steel industry and are, in

addition, one of the world's leading designers and manufacturers of bucketwheel excavators, bucket-wheel reclaimers, stackers and conveyors. Their know-how will contribute significantly to the further development of Canadian industry.

By the end of 1975 the plant was virtually completed and GWS Krupp commenced the manufacture of four radial stackers and portions of four reclaimers for the Syncrude Oil Sands Project (see drawing). A contract was also received for a combined reclaimer/stacker and a conveyor system for Sidbec's Port Cartier project in Quebec. Additional equipment will be installed in the Edmonton plant in 1976 to establish capacity for the manufacture of bucketwheel excavators (centre following page) and other heavy materials handling equipment.

*"London, England, July 16, 1975"*

## **GWS and Shell Limited**

Great West Steel Industries Ltd., of Vancouver, B.C., and Shell Petroleum Company Limited of London, England have formed an equally owned company, GWS and Shell Limited, for the purposes of assessing, designing and developing coal based energy projects both for substantial coal properties owned by Shell and for other owners.

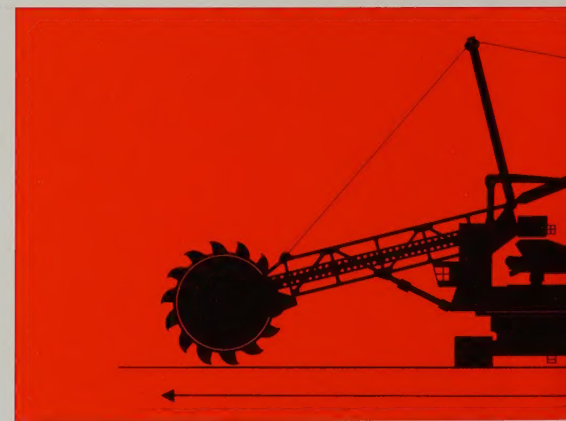
With effect from July 1, 1975 GWS and Shell Limited has acquired from Great West Steel Industries Ltd. all

the issued and outstanding shares of Birtley Engineering Limited, a United Kingdom company with offices in Chesterfield, England and Glasgow, Scotland. The transaction closed on July 8, 1975. Birtley U.K. is a long established leader in the field of coal design engineering, bulk materials handling and minerals testing. Birtley U.K. will continue its present international scope of operations.

Birtley Engineering Inc. of Salt Lake City, Detroit and Lexington, U.S.A., and Birtley Engineering (Canada) Ltd. of Calgary, Alberta will continue to serve the North American energy market as wholly owned subsidiaries of Great West Steel Industries Ltd.

Birtley Engineering Limited were selected by the National Coal Board to design, engineer, supply, install and commission the new coal preparation plant at the Thurcroft Colliery, South Yorkshire, to be completed in 1976 at a cost of \$12,000,000.

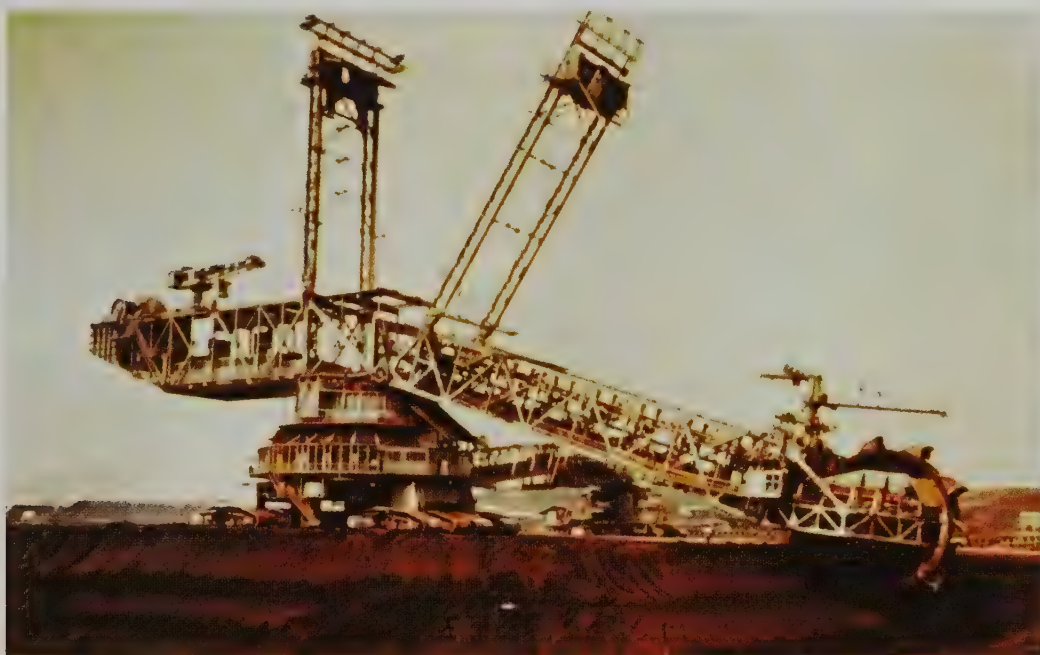
The plant is designed to produce coking coal, power station fuel and





(Right) Birtley Engineering Inc. of Salt Lake City, Utah and Lexington, Kentucky recently completed trials on Birtley-Humboldt agitators, installed in Utah and Appalachia, which indicate greatly improved coal recoveries over previous attempts in coal flotation. A full size model of the newer multi-wobble unit stimulated great interest at the fall meeting of the Society of Mining Engineers of A.I.M.E.

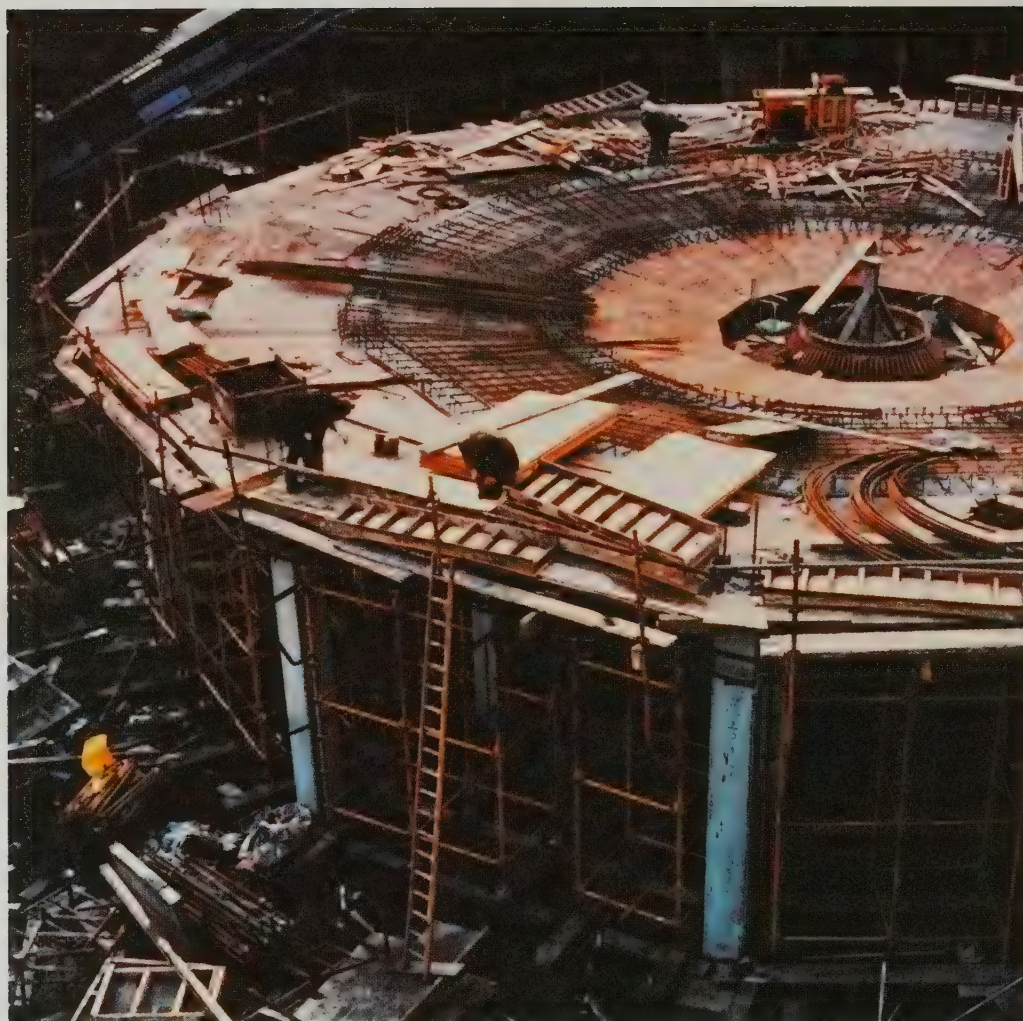
where it was exhibited. The use of plastics in impellers brings the production costs down and increases the operating life expectancy of the units.



(Above) An automatic bulk sampler test unit was designed to demonstrate the principles of Birtley sampling techniques. It is a quarter size scale model which is designed to facilitate high speed photography as a check for bias testing in the unit. It is constructed of stainless steel with plexiglass viewing sections for observation and measurement.







graded products from two seams of coal.

A feature of this plant, now under construction (above), is the computerized process control system. Operating data items (conveyor speeds and tonnages, liquid levels and specific gravities) are monitored and data is fed to a programmable logic controller. Routine plant control, stoppage diagnosis and remedial ac-

tion is provided by this unit with assistance from mimic diagram, remote TV cameras and monitors and an integrated operating parameter record system.

A significant 1975 project undertaken by Great West Steel Industries Ltd. Pacific Division (New Westminster, B.C., Seattle, Washington and Fontana, California) was the fabrication and supply of approximately 2,500 tons of structural and miscellaneous steel used in the fabrication of modules for the Atlantic Richfield Company base camp serving the Prudhoe East Oil Field Production Complex on the north slope of Alaska. Modules included a 140 ft. by 40 ft. recreation centre complete with theatre and sauna and four living modules which will house 200 people.

A unique feature of the project was the sea going barge shipments of modules from the Seattle assembly site to Prudhoe Bay. Use of the sea-lift for module shipment required precise co-ordination of fabrication and assembly to enable the barges to reach Point Barrow in time to meet the ice flow opening in the Arctic Ocean thereby permitting passage of barge traffic to Prudhoe Bay for a brief period in late summer.

Moving the huge modules could have been a problem were it not for the innovation of sponsons by Anderson-Bjornstad-Kane-Jacobs, Inc., of Seattle. The sponsons, also fabricated by GWS, helped reduce installation cost and time, and facilitated movement of the modules from assembly site to the barges, and then to the base camp site.

Birtley Engineering Limited designed, engineered, supplied, installed and



Base camp modules for Atlantic Richfield Company's Prudhoe east oil fields production complex were assembled on barges at Seattle and towed to Alaska's north slope. GWS Pacific Division fabricated and supplied approximately 2,500 tons of steel for this project.





commissioned a coal handling plant for the Central Electricity Generating Board, West Burton Power Station, a 2,000 megawatt coal fired generating station at Gainsborough in the County of Lincolnshire. (Top right)

Coal is supplied by North Eastern, Yorkshire and Midlands Divisions of the National Coal Board with a maximum annual consumption of approximately 5 million tons of coal. Maximum consumption with four units is about 18,000 tons per day.

Coal is delivered by rail in a permanently coupled unit train.

The conveyor system is designed to handle 3,000 tons per hour on duplicate lines each of 1,500 tons per hour capacity, and a single stocking out line of 3,000 tons per hour capacity. Coal can be fed from the track hoppers to stock pile or directly to the station bunkers. The coal stock pile can hold two million tons. Conveyor lines may be operated simultaneously on different routes, controlled from a central control room.



(Bottom) GWS Calgary fabricated and supplied 1500 tons of steel for Canadian Fertilizers Ltd. at Medicine Hat, Alberta.



*"Lexington, Ky., November 9, 1975"*

*Birtley Engineering Inc., was selected by the U.S. Bureau of Mines as designers and engineers of the proposed Coal Preparation Research Test Facility at Bruceton, Pa. Following the development of the Synthane and Synthoil projects, the U.S.B.M. has embarked on a program to construct a comprehensive coal preparation research and pilot plant facility which is expected to solve some of the immediate and long term problems of coal cleaning and sulfur removal from coals.*

*Birtley Engineering Inc., with facilities in Salt Lake City, Utah and Lexington, Kentucky, was selected out of an initial list of more than 30 proposals submitted by others in the industry.*

Coal developments in the western U.S.A. included the Utah No. 2 Mine of Valley Camp Coal Company. Birtley Engineering Inc. recently completed the design and project management of surface plant facilities to handle mine production of 750 tons per hour with loadout capacity of 2,500 tons per hour. The plant includes crushing, screening, storage and loading operations.

The surface plant is designed to allow for future developments in mine production such that increased coal handling capacity can be incorporated economically. (top and bottom right)





# Refining and Chemicals

*"Edmonton, Alberta, August 13, 1975"*

## **Associated Engineering Services**

*During the third quarter Great West Steel Industries Ltd. acquired a 50% interest in Associated Engineering Services Ltd., one of western Canada's largest and most comprehensive consulting engineering organizations. Since its founding in 1946 it has become a leader in the fields of municipal and industrial engineering and development throughout Alberta, British Columbia, Saskatchewan, the Northwest Territories and the Yukon. Associated Engineering Services Ltd. is also undertaking a number of sizeable offshore contracts.*

*Any large scale expansion of Canadian engineering firms over the next decade will almost certainly be in the realm of engineering, procurement and construction management. The association with GWS therefore is another major step towards AESL's stated long range objective of providing for its growing list of clients at home and abroad full project services including both procurement and construction management.*

Over 700 Associated Engineering Services Ltd. engineers and technicians from the many branches of the profession apply their specialist capabilities and experience to the task of providing a complete en-

gineering service to clients both in Canada and abroad. Services range from initial economic planning, feasibility studies, site planning and cost estimates through final design, the preparation of construction plans and contract documents, contract awards, and construction supervision.

AESL has served many municipal, government, industrial and commercial clients ranging from small urban communities to large national and international agencies. It was recently awarded two major offshore contracts — one in Ghana to provide contract administrative services and construction supervision in the development of a 30 million gallons per day water treatment plant and some 25 miles of large diameter transmission and distribution mains for the Ghana Water and Sewage Corporation. AESL is also providing technical support to the Pahang Tenggara Development Authority in the design and development of infrastructure services for 37 new town site developments in Pahang, Malaysia. Within the last few years increasing emphasis on secondary processing of natural resources in western Canada has provided AESL with the



The preheat ducting and connecting ducts for 3 large ammonia plant furnaces at Medicine Hat were fabricated by GWS Calgary for the Heat Research Corporation of Houston, Texas.



GWS Krupp Industries Ltd., Edmonton fabricated twelve heaters (top picture) and most of the pipework supports (see page 9) for the Strathcona Refinery of Imperial Oil Limited, at Edmonton, Alberta (bottom picture)

Associated Engineering Services Ltd. provided C.F. Braun Ltd., the prime contractor, with a field engineering group of approximately 60 engineers, designers and draftsmen for work at Imperial Oil's 140,000 barrels per day Strathcona Refinery. The group was involved in site development, structural, piping, instrumentation and electrical distribution design and in material procurement. AESL was also commissioned to design the raw water supply system.





opportunity to develop engineering skills in the fields of petroleum refining, chemicals, petrochemicals, fertilizers and the oil sands bitumen extraction. Its heavy involvement with the Syncrude Canada Ltd. project in the Athabaska oil sands (see page 5) and the Imperial Oil Strathcona Refinery (prior page) are examples of their involvement in the oil and gas based industries.

GWS Calgary fabricated and supplied approximately 1,500 tons of steel for a fertilizer complex built in Medicine Hat for Canadian Fertilizers Ltd., by Foster Wheeler of New Jersey, and Canadian Kellogg Ltd. This included the 1,500 tons per day urea structure (right), yard pipe supports, compressor building and a pump house and structural steel for a Spheradizer Granulation Plant.

GWS Calgary is now completing a similar structure at Carseland, Alberta for Cominco Ltd., built by Foster Wheeler Ltd. They also completed an order for three large furnaces for Ammonia Plants for the Heat Research Corporation, Houston, Texas. This work consisted of the start up heater, radiant section, convection section, auxiliary boiler, stack and connecting duct and pre-heat ducting (page 14) with a total tonnage of 1,900 tons.

Two of these furnaces were shipped to the Fertilizer Plant at Medicine Hat, the third furnace was shipped to Donaldsonville, Louisiana, U.S.A.





The GWS group and its affiliates have again significantly contributed to general industrial development in Canada and abroad. In western Canada the group has expanded its engineering and manufacturing services to basic resource industries, manufacturers and raw materials processors. These services include the complete pre-planning of many types of industrial projects, detailed engineering design and construction supervision. Plant siting, layout and design, process design, controls and piping, electrical, instrumentation, mechanical, civil and structural as well as project management, planning and scheduling, cost control, construction management, and environmental services essential to the execution of projects are provided by the group.

The unprecedented natural resource development in remote locations has given rise in recent years to instant towns. These are integrated communities designed to provide all the amenities of modern urban living for the men who staff the pulp mills, forest operations, mines and processing plants that are changing the face of the Canadian hinterland.

The planning and development of these remote communities requires many fresh approaches to town planning and municipal engineering. AESL has taken part in many of these projects in western Canada providing complete project management, site selection, negotiations with

senior governments and agencies for land purchase, financing and municipal incorporation, preliminary costing and budgeting, planning and townsite layout, complete engineering of municipal services and utilities including project supervision, housing and the establishment of commercial centres. Another area of activity is the development of industrial subdivisions at existing metropolitan areas such as the Foothills Industrial

Subdivision at Calgary, Alberta. (next page, bottom picture)

Birtley involvement in quarry plants stretches from the north of Scotland to the southwest corner of England.

Birtley designed, procured, erected and commissioned the crushing, screening and conveying scheme for the Dumbuckhill Quarry, Scotland, owned by Tilling Construction Limited. (see below) The quarry lo-





cated halfway up a mountain has its crushing and screening plant located on a shelf cut out of the side of the mountain. Conveyors move the rock from the quarry to the crushing plant from where the finished product is again conveyed downhill to sea level, bunkered for dispatch or alternatively conveyed to a tar coating plant.

The Immingham Super Bulk Terminal (right) is operated jointly by the National Coal Board and the British Steel Corporation of Great Britain. Birtley designers were closely associated with the design, procurement, erection and commissioning of both schemes, excepting the reclaimers, ship loaders and unloaders.

The N.C.B. system is capable of







loading to ship six million tons of coal per year. Coal is received on site by unit trains which are unloaded automatically while moving at 0.5 mph, discharging 1,000 tons in 25 minutes.

The coal is moved one mile to a stock pile area by conveyors and travelling stacker at the rate of 2,000 tons per hour, separating train unloading operations from ship loading operation. Storage capacity is 250,000 tons.

Coal, reclaimed by bucketwheel at 4,000 tons per hour, is conveyed to jetty by a mile long reversible conveyor, then automatically sampled, weighed and loaded into ships.

The B.S.C. scheme unloads bulk ore carriers at 4,000 tons per hour by two grab type unloaders. Ore or pellets are carried at 4,000 tons per hour to a 600,000 ton storage area by a system of conveyors.

GWS Toronto fabricated and supplied a major Reheat Furnace for the Shell Oil Refinery at Montreal.

The Bulk Storage Building for Domtar at Huntsville, Ontario (left) had several interesting engineering innovations. The project was called for tender by Domtar and the Consulting Engineer had given the design forces to be accommodated but left the actual member selection to the bidding fabricator. This project is a combination of joist technology and structural engineering. Design and custom roll forming of specific sections at our Toronto plant enabled us to be very competitive on the project.



# Municipal Engineering

The provision of engineering services to municipal, government and commercial and industrial clients ranging from small urban communities to large national and international agencies in the design of water and drainage systems, sewage and waste treatment systems, urban street improvements, land development, traffic and transportation systems, bridges and other road structures and parks and recreational facilities is a most important aspect of AESL. Over the years the company has served some 350 communities in western Canada. AESL is a leader in pollution control through the use of modern waste treatment systems. A recent installation was the Sewage Treatment Plant at St. Paul, Alberta. (top)



In England, Birtley is employing their materials handling expertise to process domestic and industrial refuse, residuals and ash, and precipitated dust for the City of Sheffield's new Incinerator Plant which incorporates novel facilities for using refuse for central heating of apartment complexes. Bulky refuse is shredded before feeding into incinerator chutes at seventeen tons per hour. Ferrous metals are removed by magnets, baled and sold to the steel industry. (bottom)

A similar installation is being engineered and constructed by Birtley for Birkenhead, United Kingdom.







*"Toronto, Ontario, May 6, 1975"*

### **GWS Wins \$1.48 Million Steel Contract**

*The Toronto Plant of Great West Steel Industries Ltd. has won a \$1.48 million contract to design, manufacture and erect all of the open web steel joists, trusses and structural steel for a one million square foot warehouse in Woodstock, Ontario.*

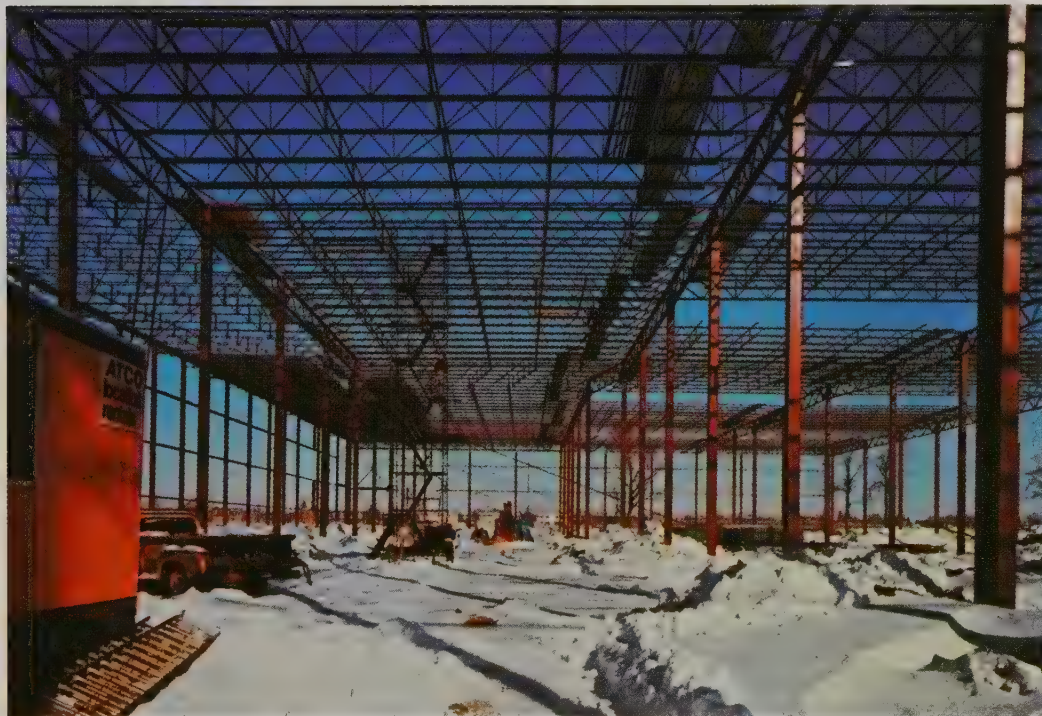
*The \$9 million warehouse will be used as the national automotive parts distribution centre for General Motors of Canada Ltd. General Contractor is Ellis-Don Ltd.*

This project covered one million square feet of single storey construction utilizing 1,700 tons of open-web joists, open-web cantilever trusses and hollow structural columns. (top)

In the Quebec area GWS supplied joists and trusses for the "Centre de Distribution des Alcools du Québec", built by J.G. Fitzpatrick Construction for Les Developments Iberville Ltée.

This centre will consist of three inter-connected buildings: a warehouse of 400,000 sq. ft. to store 1.5 million cases of liquor (bottom); a liquor conditioning and wine bottling building of 95,000 sq. ft. and a three storey administrative office building having a floor area of 54,000 sq. ft.

In California the steel for the Galleria Shopping Mall located on a 28 acre site in Glendale, Ca. was







GWS New Westminster supplied 1,500 open web steel joists to Canron Ltd., the prime steel contractor for the Vancouver Centre in downtown Vancouver, B.C. These joists were custom designed and fabricated by GWS to allow heating ducts to pass through the joists. The Centre at 451 feet is the tallest structural steel building in B.C. and the second tallest building in Vancouver.





fabricated and installed by GWS Fontana. The 1,000 ft. long enclosed mall designed by Charles Kober Associates Ltd. of Los Angeles will house 140 shops and restaurants anchored by four large department stores. (top)

*"Toronto, Ontario, August 14, 1975"*

**GWS Wins Steel Contract for Eaton's Centre Development, Toronto**

*Great West Steel Industries Ltd. has been awarded a contract for the supply and installation of steelwork supporting the glassed-in areas of the main entrance of the Eaton's Centre in downtown Toronto.*

*The complicated support steel for the 40,000 sq. ft. of glass will be supported by a 120 foot truss weighing 25 tons. The truss, 90 ft. from floor level, will be fabricated and installed in October, 1975.*

The steelwork for the initial phases of the Eaton's Centre at Yonge & Dundas was highly complex utilizing a variety of products including some custom roll-formed steel to suit this purpose. The main framing truss at the Dundas Street entrance was fabricated to fine tolerances to allow it to remain exposed for the life of the structure. The cross section of the main trusses are triangular, consisting of 16" diameter tube for the top chord and 10" diameter tubes for the two bottom chords with 6" & 8" pipes for the inclined webs. (bottom)





*"Abu Dhabi, U.A.E. and Vancouver, B.C. August 5, 1975"*

**Rashid-GWS**

*On August 1, 1975 the company entered into a preliminary agreement with Rashid Construction and General Transportation Company of Abu Dhabi, United Arab Emirates, to incorporate a jointly owned company under the name of Rashid-GWS for the purpose of engaging in all facets of the construction industry in the United Arab Emirates. Final agreements are subject to the approval of*

*the boards of directors of both companies.*

The joint venture has entered into a contract for the construction of a hotel and marina complex for the Government of Abu Dhabi, U.A.E. (below) to be operated by Meridien, the hotel operating arm of Air France. Architects are Killick, Metz, Field and construction managers are Norwood Construction Ltd., both of Vancouver. Foundation work has commenced. GWS will fabricate some of the steel for this project in the U.A.E.





During 1975 Taskmaster placed much stronger emphasis on Computer Aided Design techniques and methods for the construction industry.

Computer Aided Design (CAD) is a relatively new phrase. Design is used in a very broad context. CAD can be described technically as integrated data processing systems covering the whole range of data capture, information flow and storage, and the routine production of construction documents. Taskmaster is creating a very new approach to CAD but on a very practical basis. It is a highly sophisticated, yet simple to use, integrated computing system that links all the phases of the construction process . . . concept, analysis, design, drafting, production scheduling and control, inventory control and estimating.

Taskmaster controls the information flow, data entry, file management, and the graphics relating to construction projects. It does this by unifying and simplifying data entry, managing a central project data bank, linking disparate programs into integrated systems and by providing practical graphic output well suited to the construction requirements.

CAD is the rationalization of the work performed and the information flow required paralleling the traditional methods. It places the computer in a supportive role to man, thereby enhancing his creativity and productivity. The concepts of CAD were



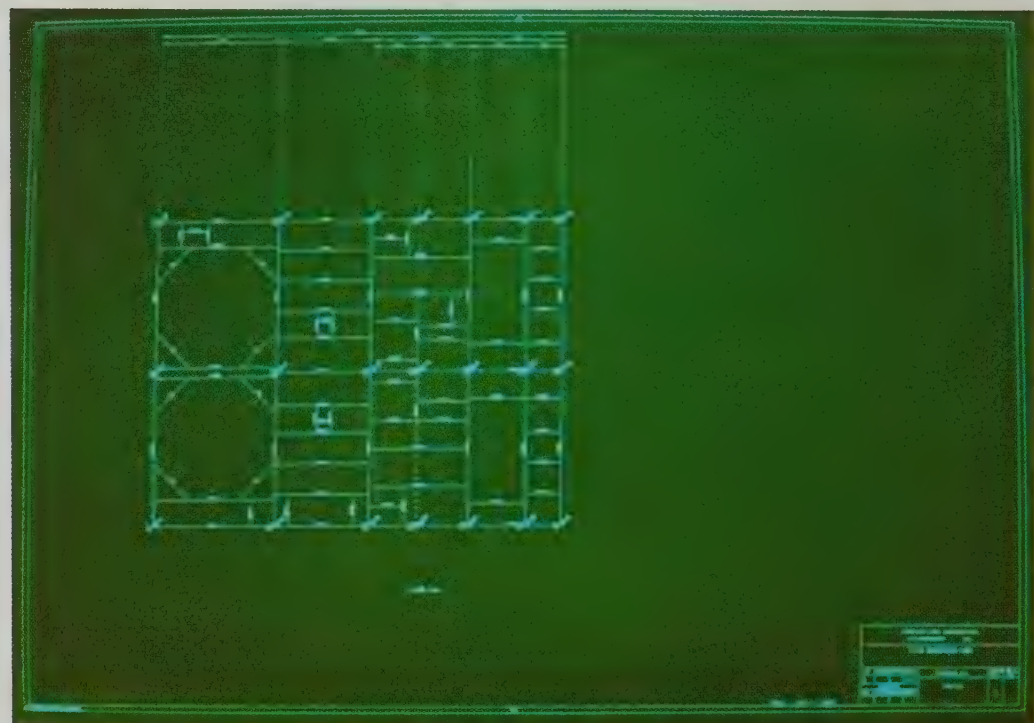


formed several years ago. Today, with the aid of new technology, CAD systems are viable and are becoming a major factor in many industries.

While CAD is applicable to a broad range of industries, Taskmaster is currently concentrating upon the construction and resource/process industries. The importance of Taskmaster's input may be measured in the strong, and growing interest now shown in their work.

The coupling of their advanced CAD techniques with new powerful mini computer technology places Taskmaster in a position to offer a practical and economic solution to the ever increasing demands of industry for efficiency, speed and productivity increase.

Taskmaster can provide a user with normal access to the system via new methods of telecommunications. During 1976 they will also possess the ability to place the entire system, including hardware and software, in the customer's place of business, tailored to suit his own needs. This feature of flexibility is one of the prime reasons for the strong showing of world-wide interest in Taskmaster.









**Consolidated Statement of Earnings and Retained Earnings***For the year ended December 31, 1975*

	1975 \$	1974 \$
SALES	<u>78,561,865</u>	<u>64,285,463</u>
EARNINGS FROM OPERATIONS BEFORE THE FOLLOWING	<u>6,751,598</u>	<u>7,758,222</u>
Depreciation and Amortization	1,141,631	953,078
Interest on Long-Term Debt	1,135,936	981,511
Other Interest	<u>1,045,807</u>	<u>1,162,458</u>
	<u>3,323,374</u>	<u>3,097,047</u>
EARNINGS BEFORE INCOME TAXES AND EXTRAORDINARY ITEMS	<u>3,428,224</u>	<u>4,661,175</u>
INCOME TAXES		
Current	1,596,768	714,201
Deferred	<u>186,091</u>	<u>1,639,115</u>
	<u>1,782,859</u>	<u>2,353,316</u>
NET EARNINGS FOR THE YEAR BEFORE EXTRAORDINARY ITEMS	<u>1,645,365</u>	<u>2,307,859</u>
Extraordinary Items (Note 10)	<u>692,879</u>	<u>(202,659)</u>
NET EARNINGS FOR THE YEAR	<u>2,338,244</u>	<u>2,105,200</u>
RETAINED EARNINGS — BEGINNING OF YEAR	4,935,651	2,830,451
Share Issue Expenses Net of Income Taxes	<u>51,301</u>	
	<u>4,884,350</u>	<u>2,830,451</u>
RETAINED EARNINGS — END OF YEAR	<u>7,222,594</u>	<u>4,935,651</u>

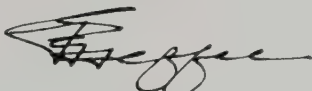


**Consolidated Balance Sheet**

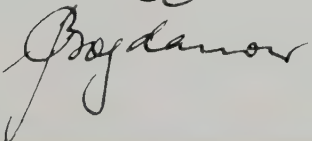
as at December 31, 1975

<b>Assets</b>	<b>1975</b>	<b>1974</b>
	<b>\$</b>	<b>\$</b>
<b>CURRENT ASSETS</b>		
Accounts Receivable	16,818,330	15,655,429
Inventories (Note 3)	14,104,667	15,866,979
Prepaid Expenses	284,315	392,235
	<u>31,207,312</u>	<u>31,914,643</u>
<b>EXPLORATION, TESTING &amp; DEVELOPMENT COSTS</b>		
ON COAL PROPERTIES (Note 4)	688,798	310,916
<b>FIXED ASSETS (Notes 5 &amp; 8)</b>	<b>12,997,192</b>	<b>11,019,783</b>
<b>DEFERRED COSTS (Note 6)</b>	<b>1,436,775</b>	<b>1,017,664</b>
<b>DEFERRED FINANCING EXPENSES less amortization</b>	<b>374,626</b>	<b>295,956</b>
<b>OTHER ASSETS</b>	<b>376,451</b>	
<b>EXCESS OF COST OF 50% OWNED AFFILIATE</b>		
over book value at the date of acquisition less amortization	1,883,595	
	<u>48,964,749</u>	<u>44,558,962</u>
<b>Liabilities</b>		
<b>CURRENT LIABILITIES</b>		
Bank Advances — Secured	8,108,980	11,487,896
Accounts Payable and Accrued Liabilities	10,162,440	9,992,683
Income Taxes Payable	1,561,165	717,641
Current Portion of Long Term Debt	1,207,571	855,563
Current Liabilities Exclusive of Deferred Income Taxes	21,040,156	23,053,783
Deferred Income Taxes (Note 7)	3,069,381	2,378,499
	<u>24,109,537</u>	<u>25,432,282</u>
<b>LONG TERM DEBT (Note 8)</b>	<b>10,643,979</b>	<b>8,551,330</b>
<b>DEFERRED INCOME TAXES (Note 7)</b>	<b>1,462,655</b>	<b>1,613,715</b>
	<u>36,216,171</u>	<u>35,597,327</u>
<b>Shareholders' Equity</b>		
<b>CAPITAL STOCK (Note 9)</b>	<b>5,525,984</b>	<b>4,025,984</b>
<b>RETAINED EARNINGS</b>	<b>7,222,594</b>	<b>4,935,651</b>
	<u>12,748,578</u>	<u>8,961,635</u>
	<u>48,964,749</u>	<u>44,558,962</u>

Signed on behalf of the Board



Director



Director



**Consolidated Statement of Changes in Financial Position**

For the year ended December 31, 1975

	1975 \$	1974 \$
<b>Source</b>		
Current Operations (Note 14)	2,510,766	4,067,045
Long Term Debt	4,240,000	428,682
Proceeds From Sale of Fixed Assets	11,877	99,897
Share Capital, net of issue expenses	1,410,000	
Proceeds from Sale of Edmonton Plant	2,325,429	
Proceeds from Sale of Birtley Engineering Ltd., net of working capital sold	288,538	
Reduction of current years income taxes on application of prior years losses	211,979	
	<u>10,998,589</u>	<u>4,595,624</u>
<b>Use</b>		
Acquisitions of Subsidiaries and 50% owned Affiliates (Note 14)	4,750,503	
Less: Working Capital Acquired	672,173	
	<u>4,078,330</u>	
Fixed Assets Additions	2,432,010	1,041,046
Deferred Costs	602,365	252,175
Long Term Debt Retired	2,476,040	1,173,363
Exploration, Testing and Development Costs on Coal Properties	377,882	95,111
Other Assets	301,991	
Deferred Income Taxes	51,458	
Discontinuance of Wallclad Panel Division	63,099	
	<u>10,383,175</u>	<u>2,561,695</u>
INCREASE IN WORKING CAPITAL	615,414	2,033,929
WORKING CAPITAL — BEGINNING OF YEAR	<u>6,482,361</u>	<u>4,448,432</u>
WORKING CAPITAL — END OF YEAR	<u>7,097,775</u>	<u>6,482,361</u>
WORKING CAPITAL BEFORE DEFERRED INCOME TAXES RELATING TO CURRENT ASSETS		
BEGINNING OF YEAR	8,860,860	5,933,700
INCREASE IN WORKING CAPITAL	615,414	2,033,929
INCREASE IN DEFERRED INCOME TAXES RELATING TO CURRENT ASSETS	690,882	893,231
	<u>10,167,156</u>	<u>8,860,860</u>



**Notes to Consolidated Financial Statements***For the year ended December 31, 1975***1. Significant Accounting Policies and Principles**

- a) The consolidated financial statements include the accounts of all subsidiaries. The principal active subsidiaries, all of which are wholly owned are:

Bates Agencies Limited	Great West Steel Industries Inc.
Bimac Engineering and Chemicals Ltd.	International Brick & Tile Ltd.
Birtley Engineering (Canada) Ltd.	Pine Pass Development Ltd.
Birtley Engineering Inc.	Super Crane & Rigging Ltd.
Great West Steel Industries (Alta) Ltd.	Wallclad Products Ltd.
Great West Steel Industries (Sask) Ltd.	Wallclad Manufacturing Co. Ltd.

The consolidated financial statements also include the Company's proportionate share of the assets and liabilities and results of operations of its 50% owned affiliates:

Associated Engineering Services Limited  
GWS Krupp Industries Ltd.  
GWS and Shell Limited

Unallocated excess of costs of investments over net assets is amortized on a straight-line basis over a period not exceeding 40 years.

b) Non-Canadian Subsidiaries

The accounts of the United Kingdom subsidiary have been translated into Canadian currency at the rate of exchange in effect on December 31, 1975, except that fixed assets have been translated at the rate in effect at the date of acquisition and earnings at the average rate during the year.

The accounts of United States subsidiaries have been converted to Canadian currency at par which approximates the rate of exchange prevailing since the dates of incorporation.

c) Recording of Income

Profits on contracts are recorded on the basis of estimates of percentage of completion on individual contracts, commencing when progress reaches a point where experience is sufficient to estimate final results with reasonable accuracy. That portion of the total contract revenue is accrued, which is allocable to contract expenditures incurred and work performed.

As contracts extend over one or more fiscal years, revisions in costs and profit estimates during the course of the work are reflected in the accounting period when the facts which require the revisions become known.

At the time a loss on a contract becomes known, the entire amount of the estimated ultimate loss is accrued.

d) Inventory Valuation

Raw Materials and supplies are stated at the lower of cost and net realizable value. Work-in-progress represents costs and estimated earnings in excess of billings.



e) Depreciation

Depreciation is calculated at rates which will reduce the original cost of fixed assets to estimated residual values over the useful life of each asset on a straight-line basis.

f) Deferred Costs

Research and development, pre-production and start-up costs of major new activities are recorded as deferred costs and are amortized over the lesser of five years from commencement of commercial production or utilization or the estimated useful life of the activity.

g) Deferred Financing Expenses

Expenses of obtaining long term debt financing and conditional sales contracts are deferred and amortized over the term of the financing.

h) Government Grants

The Company accounts for government grants for research and development expenditures on the cash basis.

i) Gains on Sales of Assets to 50% Owned affiliates

Gains on sales of assets to 50% owned affiliates are recognized on closing to the extent of 50%, with the balance being recognized over the life of the assets sold.

j) Comparative Figures

Where applicable, comparative figures have been re-stated to conform with the presentation used in the current year. These re-statements have no effect on reported earnings.

## 2. Acquisitions

Subsidiaries:

On October 2, 1975, with effect from July 1, 1975, the Company acquired all outstanding shares of Bates Agencies Ltd. and Super Crane & Rigging Ltd. which have been accounted for as purchase transactions. Their principal businesses are the supply of crane services.

50% Owned Affiliates:

a) On September 3, 1975, with effect from July 1, 1975, the Company acquired 50% of Associated Engineering Services Limited (AESL) whose principal business is consulting engineering.

b) On January 1, 1975, with effect from that date the Company acquired 50% of GWS Krupp Industries Ltd. whose principal business is the supply of engineered and fabricated products.

c) On July 8, 1975, with effect from July 1, 1975, the Company acquired 50% of GWS and Shell Limited whose principal business is consulting engineering.



These transactions are summarized as follows:

	Subsidiaries 100% \$	Affiliates 50% \$
Net Tangible Assets Acquired at Vendor's Book Value	167,198	2,194,064
Adjustment of Net Tangible Assets to Fair Value	<u>282,802</u>	<u>199,000</u>
Adjusted Book Value of Net Tangible Assets Acquired	450,000	2,393,064
Excess of Consideration Paid Over Adjusted Book Value	<u>450,000</u>	<u>1,907,438</u>
		<u>4,300,502</u>
Consideration:		
Cash	200,000	1,502,252
Term Loan	250,000	
Shares (Note 9)		1,500,000
Net Assets		<u>1,298,250</u>
	<u>450,000</u>	<u>4,300,502</u>

### 3. Inventories

	1975 \$	1974 \$
Raw Materials and Supplies	8,701,496	13,209,910
Work-in-Progress	<u>5,403,171</u>	<u>2,657,069</u>
	<u>14,104,667</u>	<u>15,866,979</u>

### 4. Exploration, Testing and Development Costs on Coal Properties

The Company has an option to earn a 60% interest in 51 coal licenses in Western Canada, totalling 43,824 acres, under a farm out agreement from Pan Ocean Oil Limited. The amount recorded represents exploration, testing and development expenditures to date. The annual exploration commitment is \$100,000 until 1982 or commencement of commercial production, whichever occurs first.

### 5. Fixed Assets

	1975		1974	
	Cost \$	Accumulated Depreciation \$	Net Book Value \$	Net Book Value \$
Buildings	5,439,887	669,533	4,770,354	4,282,158
Machinery & Equipment	<u>10,699,383</u>	<u>3,113,758</u>	<u>7,585,625</u>	<u>6,183,399</u>
	16,139,270	3,783,291	12,355,979	10,465,557
Land	<u>641,213</u>		<u>641,213</u>	<u>554,226</u>
	<u>16,780,483</u>	<u>3,783,291</u>	<u>12,997,192</u>	<u>11,019,783</u>



**6. Deferred Costs**

	1975 \$	1974 \$
Taskmaster Division	946,084	474,356
Computerized engineering data system for design, detail, and production control programs for the construction industry. Under federal research programs, the Company has received grants of \$130,000 and has made application for a further \$75,000.		
California Division	401,576	543,308
Establishment of manufacturing facilities in the western United States, consisting of pre-production and start-up costs. Amortization commenced when the plant reached full commercial production.		
Bimac Division	89,115	
Marketing, licencing and start-up costs.		
Total Deferred Costs, net of accumulated amortization of \$379,085 (1974 — \$195,172)	<u>1,436,775</u>	<u>1,017,664</u>

**7. Deferred Income Taxes and Tax Losses Carried Forward**

	1975 \$	1974 \$
Deferred income taxes show separately the amounts arising principally from:		
Holdbacks receivable and other current timing differences	3,069,381	2,378,499
Capital cost allowances claimed for tax purposes in excess of depreciation recorded in the accounts	<u>1,462,655</u>	<u>1,613,715</u>
	<u>4,532,036</u>	<u>3,992,214</u>

The Companies' available tax losses, for which no recognition has been given to the potential tax savings, are \$1,850,000 and expire as follows:

1976	\$ 191,000
1977	300,000
1978	160,000
1979	754,000
1980	<u>489,000</u>
	<u>\$ 1,894,000</u>



## 8. Long Term Debt

	1975 \$	1974 \$
1972 Series 8½% Sinking Fund Debentures, due June 15, 1992	5,700,000	5,795,000
Term bank loans with interest at 1½% to 2% above prime bank rate secured by accounts receivable, inventories, certain machinery and mortgage debentures on real property of \$4,500,000 repayable by 1982	4,825,000	2,870,560
Other term loans with interest at varying rates, secured by specific assets of the Company repayable in varying annual installments by 1985	1,156,550	383,210
Unsecured Advances	<u>170,000</u>	<u>358,123</u>
	11,851,550	9,406,893
Less: Current Portion	<u>1,207,571</u>	<u>855,563</u>
	<u>10,643,979</u>	<u>8,551,330</u>

At the Company's option, redemption for other than sinking fund purposes of any part of the debentures may take place at a premium of 7% in 1976, decreasing by ½% per year to 1990.

Sinking fund payments for the year amounted to \$100,000.

Payments required in the next five years to meet long term debt installments, including sinking fund payments are:

1976	\$ 1,207,571
1977	987,993
1978	1,025,516
1979	981,595
1980	<u>961,088</u>
	<u>\$5,163,763</u>

## 9. Capital Stock

Authorized — 5,000,000 common shares without nominal or par value

	1975 \$	1974 \$
Issued and fully paid — 1,902,495 shares (1974 — 1,702,495)	<u>5,525,984</u>	<u>4,025,984</u>

During the year, the Company issued 200,000 shares for \$1,500,000 as partial consideration for the acquisition of 50% Owned Affiliate (Note 2).



Effective May 22, 1975, the Company changed its authorized capital from 2,500,000 common shares without nominal or par value with a maximum selling price of \$10 per share to 5,000,000 common shares without nominal or par value.

At December 31, 1975, there were outstanding 315,000 common share purchase warrants entitling the holders to purchase common shares at a price of \$8.31 per share on or before June 15, 1977 and thereafter at a price of \$9.52 per share on or before June 15, 1982.

In addition, there is an outstanding option granted to the shareholders of AESL to convert their remaining 100,000 shares of AESL into shares of the Company on the basis of 2 shares of the Company for each AESL share.

# 10. Extraordinary Items

	1975	1974
	\$	\$
Gain on the sale of the Edmonton Plant, net of taxes	624,920	
Gain on sale of Birtley Engineering Limited, net of taxes	34,336	
Loss on the discontinuance of the Wallclad Panel Division, net of taxes recovered	(128,707)	
Reduction of income taxes on application of prior period losses	162,330	
Deferred costs written off		(202,659)
	<u>692,879</u>	<u>(202,659)</u>

# 11. Earnings Per Share

	1975	1974
	\$	\$
Basic — before extraordinary items	.91	1.36
— net earnings for the year	1.30	1.24
Fully diluted — before extraordinary items	.88	1.22
— net earnings for the year	1.16	1.12

Fully diluted earnings per share are based on:

- the exercise of the 315,000 share purchase warrants assuming the proceeds of the warrants would yield income equal to the average interest rate on the long term debt of the Company.
- the exercise of the option to convert each AESL common share into 2 shares of the Company.

Included in this calculation are imputed earnings, net of income taxes of \$476,000.



## 12. Statutory Information

Remuneration of directors and senior officers of the Company amounted to \$562,895 (1974 — \$471,799).

The selling, general and administrative expenses for the year amounted to \$8,884,000 (1974 — \$6,366,000).

## 13. Commitments

The Company has entered into the following commitments:

- a) Long term lease agreements requiring annual payments of approximately \$680,000 in each of the next five years;
- b) Outstanding letters of credit of \$4,190,000;
- c) Guarantees of 50% owned affiliates' bank borrowing up to \$1,500,000.

## 14. Changes in Financial Position

	1975 \$	1974 \$
a) Current Operations		
Earnings from Operations	1,645,365	2,307,859
Add (Deduct): Items not affecting working capital.		
Depreciation and Amortization	1,141,631	953,078
Deferred Taxes	(82,833)	745,884
Gain on settlement of unsecured advances	(194,123)	
Sundry	726	60,224
	<u>2,510,766</u>	<u>4,067,045</u>
b) Acquisitions of subsidiaries and 50% owned affiliates consisting of:		
Fixed Assets	2,156,291	
Other Assets	74,460	
Deferred Finance Costs	125,159	
Long Term Debt	(522,812)	
Deferred Income Taxes	(144,008)	
Adjustment of Net Tangible Assets to Fair Value	481,802	
Excess of consideration paid over adjusted book value	<u>1,907,438</u>	
	<u>4,078,330</u>	



## 15. Anti-Inflation Legislation

The Company is subject to restraint of profit margins, prices, dividends and compensation under the terms of the Anti-Inflation Act and Regulations which become effective October 14, 1975. The impact on the Company of the Anti-Inflation Act is not presently fully determinable because of uncertainties respecting its application to the operations of the Company. It will, however, be felt mainly in the future and it is unlikely that it will have a significant effect on the results of the Company's operations for 1975 or its financial position as at December 31, 1975.

## **Auditors' Report**

TO THE SHAREHOLDERS OF GREAT WEST STEEL INDUSTRIES LTD.

We have examined the consolidated balance sheet of Great West Steel Industries Ltd. as at December 31, 1975 and the consolidated statements of earnings and retained earnings and changes in financial position for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances. We have relied on the report of the auditors who have examined the financial statements of one of the 50% owned affiliates, the accounts of which have been included on a proportionate basis in these consolidated financial statements (Note 1).

In our opinion, these consolidated financial statements present fairly the financial position of the company as at December 31, 1975 and the results of its operations and the changes in its financial position for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Vancouver, B.C.  
February 20, 1976

COOPERS & LYBRAND, *Chartered Accountants*



## Directors

J. Leslie Bodie, Bermuda  
George B. Bogdanow, Vancouver  
Bernhard L. Diefenbach, Edmonton  
K. F. Gunter Diefenbach, Edmonton  
Gerald Dobbs, Toronto  
Bryan A. Ellis, Vancouver  
Dietrich Fischer, West Germany  
Michael L. Galper, Toronto  
George C. Hambleton, U.K.  
Ian L. Hamilton, Vancouver  
Kenneth G. Heffel, Vancouver  
D. Scott Kennedy, Vancouver  
Hugh A. Magee, Vancouver  
Gerard Norton, Vancouver  
Michael P. Pick, Toronto  
John L. Shortly, Vancouver  
Alan D. Turnbull, Vancouver  
John D. Wilson, Vancouver

## Officers

Hugh A. Magee, *Chairman*  
Kenneth G. Heffel, *President*  
George B. Bogdanow, *Senior Vice-President, Finance*  
Ian L. Hamilton, *Senior Vice-President, Manufacturing Group*  
John R. O'Brien, *Senior Vice-President, Engineering Group*  
Gerard Norton, *Senior Vice-President, Coal Engineering*  
John L. Shortly, *Senior Vice-President, Planning*  
Gerald Dobbs, *Vice-President, Eastern Region*  
D. Scott Kennedy, *Vice-President, Marketing*  
Raymond D. Lucas, *Vice-President, Corporate Development*

Alan D. Turnbull, *Vice-President, Technical Services*  
Douglas A. Whelen, *Vice-President, International*  
D. Barry Milton, *Treasurer*  
William E. Allen, *Secretary*

## Subsidiaries

Atlas Construction & Crane Service Ltd., Edmonton and Calgary  
Bates Agencies Limited, Burnaby  
Bimac Engineering and Chemicals Limited, U.K.  
Birtley Engineering (Canada) Ltd., Calgary and Toronto  
Birtley Engineering Inc., Salt Lake City, Detroit, and Lexington  
Great West Steel Industries (Alta) Ltd., Edmonton, Calgary and New Westminster  
Great West Steel Industries (Sask) Ltd., Saskatoon  
Great West Steel Industries Inc., Seattle and Los Angeles  
International Brick & Tile Ltd., Edmonton  
Multiform Consultants Ltd., Vancouver  
Pine Pass Development Ltd., Vancouver  
Super Crane & Rigging Ltd., Burnaby  
Taskmaster Computing Systems Ltd., Edmonton  
Wallclad Products Ltd., Richmond  
Wallclad Manufacturing Co. Ltd., Richmond and North Vancouver

## Affiliates

Associated Engineering Services Limited, Edmonton, Calgary, Saskatoon and Vancouver  
GWS Krupp Industries Ltd., Edmonton  
GWS and Shell Limited, U.K.

## Executive Offices

1060 - One Bentall Centre,  
Vancouver, B.C.

## Registered Office

7th Floor, 900 West Hastings Street,  
Vancouver, B.C.

## Stock Listings

Toronto, Montreal and Vancouver  
Stock Exchanges

## Bankers

The Toronto-Dominion Bank

## Auditors

Coopers & Lybrand,  
*Chartered Accountants*

## Transfer Agents & Registrars

For common shares and  
share purchase warrants:

The Canada Trust Company,  
Vancouver, Toronto, Edmonton,  
Regina, Winnipeg, Montreal

For debentures:

The Royal Trust Company,  
Vancouver, Edmonton, Toronto,  
Montreal



# Historical Review

in thousands of dollars except as indicated

## FINANCIAL POSITION AT YEAR END

	1975	1974	1973	1972
Net Working Capital†	\$10,167	\$ 8,861	\$ 5,934	\$ 7,285
Net Fixed Assets	12,997	11,020	10,891	9,679
Other Assets	4,760	1,624	1,730	728
Funded Debt	10,643	8,551	9,296	9,122
Deferred Income Taxes	4,532	3,992	2,353	2,010
Minority Interest	—	—	49	49
Shareholders' Equity	12,749	8,962	6,857	6,511
CAPITAL EXPENDITURES ON FIXED ASSETS	2,432	1,041	2,703	3,407

## EMPLOYMENT

Scientists, Engineers and Technicians*	795	236	231	224
Administrators and Clerks*	473	182	178	163
Manufacturing and Construction Workers*	1,130	1,045	1,022	831
Total Number of Employees*	2,398	1,463	1,431	1,218
Total Payroll and Benefits	36,300	19,400	16,220	11,169

## INCOME AND RELATED DATA

Sales	78,562	64,285	46,857	31,341
Earnings from Operations before deducting the following	6,752	7,758	2,769	2,307
Depreciation and Amortization	1,143	925	425	361
Interest on long-term debt	1,136	982	836	618
Other interest	1,045	1,162	505	170
Earnings before Income Taxes	3,428	4,661	1,003	1,158
Current Income Taxes	1,597	714	(61)	98
Deferred Income Taxes	186	1,639	531	372
Earnings for Year	1,645	2,308	533	688
Less: Extraordinary Item	(693)	203	188	—
Net Earnings	2,338	2,105	345	688
Earnings as % of Sales*				
Before Extraordinary Item	2.1%	3.6%	1.1%	2.2%
After Extraordinary Item	3.0%	3.3%	.7%	2.2%
Earnings per Share:**				
Before Extraordinary Item	\$ .91	\$ 1.36	31¢	40¢
After Extraordinary Item	\$ 1.30	\$ 1.24	20¢	40¢
Cash Flow per Share**†				
Before Extraordinary Item	\$ 1.54	\$ 2.91	90¢	84¢
After Extraordinary Item	\$ 1.59	\$ 2.80	80¢	84¢

†Including current portion of Deferred Income Taxes

\*Including 1191 Joint Venture Employees Paid \$18,726

\*\*Based on average Common Shares outstanding during 1975 or 1,802,495



1971	1970	1969	1968	1967	1966
\$ 5,952	\$ 2,118	\$ 1,142	\$ 594	\$ 387	\$ 131
6,677	2,160	1,602	1,005	777	610
118	—	4	5	5	20
6,084	947	1,065	604	394	315
1,707	734	498	156	79	55
—	—	—	—	—	—
4,956	2,597	1,186	844	696	391
4,494	605	739	381	301	588
221	45	37	19	16	10
142	66	58	32	29	14
779	482	400	208	147	66
1,142	593	495	259	192	90
7,169	5,161	3,016	1,830	1,343	591
22,608	15,742	11,721	6,184	4,237	2,659
2,286	1,487	942	444	330	303
298	98	64	53	33	28
290	149	61	68	44	15
184	138	64	41	22	13
1,514	1,102	753	282	231	247
52	305	9	21	9	9
671	231	352	94	93	121
791	566	392	167	129	117
—	—	—	—	—	—
791	566	392	167	129	117
3.5%	3.6%	3.4%	2.7%	3.1%	4.3%
3.5%	3.6%	3.4%	2.7%	3.1%	4.3%
47¢	33¢	23¢	10¢	8¢	7¢
47¢	33¢	23¢	10¢	8¢	7¢
\$ 1.04	53¢	48¢	19¢	15¢	15¢
\$ 1.04	53¢	48¢	19¢	15¢	15¢



